

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	ORDER NO. D05-90
SWEDISH HEALTH SERVICES,)	
)	CONSENT ORDER
formerly known as)	IMPOSING A FINE
)	
SWEDISH HOSPITAL)	
MEDICAL CENTER,)	

FINDINGS OF FACT

1. In 1989, Swedish Hospital Medical Center was issued Certificate of Exemption Number 28 pursuant to Chapter 48.38 RCW for the issuance of charitable gift annuities in Washington.

2. In 1993, Swedish Hospital Medical Center changed its legal name to Swedish Health Services. Swedish Hospital Medical Center did not inform the Office of the Insurance Commissioner (OIC) of its name change, and Certificate of Exemption Number 28 and the contract forms approved for use remained in the name of Swedish Hospital Medical Center.

3. Between 1993 and 2004, three annuities were issued under the name of an affiliated entity, "Swedish Medical Center Foundation", a name that did not appear either on Certificate Number 28 or on the certificate holder's approved contract forms.

4. Between 1993 and 2004, the reserve account for charitable gift annuities issued under Certificate of Exemption Number 28 was also held and maintained by the affiliated entity, Swedish Medical Center Foundation, rather than by the certificate holder Swedish Hospital Medical Center.

CONCLUSIONS OF LAW

1. The issuance of three annuities containing unapproved contract language identifying the issuer as the Swedish Medical Center Foundation rather than the Swedish Hospital Medical Center constituted three violations of RCW 48.38.010(9).

2. The failure to maintain the reserve fund in the name of the certificate holder violated RCW 48.38.020(1).

CONSENT TO ORDER

Swedish Health Services, formerly Swedish Hospital Medical Center, wishes to resolve this matter without further administrative or judicial proceedings and hereby consents to the entry of this order and acknowledges its duty to comply fully with the applicable laws and regulations of the State of Washington.

1. By agreement of the parties, the OIC will impose a fine of \$5,000.

2. This agreement is intended to fully resolve this matter as to Swedish Health Services as well as to its above-referenced subordinate or affiliated foundations.

3. Failure to pay the fine in full within thirty days of the entry of this order shall constitute grounds for the suspension or revocation of Certificate of Exemption Number 28 and for the recovery of the fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED and AGREED this ____ day of _____, 2005.

SWEDISH HEALTH SERVICES/ (formerly known as SWEDISH
HOSPITAL MEDICAL CENTER)

Signed Name: _____

Printed Name: _____

Printed Title: _____

ORDER:

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order and RCW 48.38.050, the Insurance Commissioner hereby orders as follows:

1. Pursuant to RCW 48.38.050, the Insurance Commissioner hereby imposes a fine of \$5,000 on Swedish Health Services, formerly known as Swedish Hospital Medical Center.

2. The fine must be paid in full within thirty days of the entry of this order in Tumwater, Washington. Failure to pay the fine timely and in full shall constitute grounds for suspension or revocation of Certificate of Exemption No. 28 and for the recovery of the fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON on this _____ day of _____, 2005.

Mike Kreidler
Insurance Commissioner

By: _____
William Kirby
Staff Attorney, Legal Affairs